

# EXHIBIT B

(Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations)

## 18531.5. Cumulation of Contributions from Affiliated Entities.

(a) If the same person or a majority of the same persons in fact directs and controls the decisions of two or more entities to make contributions or expenditures to support or oppose a candidate or candidates, those affiliated entities shall be considered one person, one political committee, or one broad based political committee for purposes of the contribution limitations specified in Government Code Sections 85302, 85303, and 85305.

(b) Business entities in a parent-subsidary relationship, or business entities with the same controlling (more than 50 percent) owner, shall be considered one person for purposes of the contribution limitations specified in Government Code Sections 85302, 85303, and 85305, unless the business entities act independently in their decisions to make contributions and expenditures to support or oppose candidates for elective office. For purposes of this regulation, a parent-subsidary relationship exists when one business entity owns more than 50 percent of another business entity.

Note: Authority: Section 83112, Gov. Code  
Reference: Sections 85302, 85303, and 85305, Gov. Code

### History

- (1) New section filed 10-11-90; effective thirtieth day thereafter.
- (2) Amendment filed 01-25-93; effective upon filing.